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SUBJECT: (C) PRT SALAH AD DIN: REPORT FROM THE GOVERNORS,
CONFERENCE

Classified By: Greg D'Elia for reasons 1.4 (b) and (d).

This is a PRT Salah ad-Din reporting cable.

Summary

1. (C) The Salah ad-Din (SaD) Deputy Governor Abdullah Hussein al-Jubara met with the PRT to discuss the results of the August 4-7 Baghdad conference for all provincial governors, which he and the Governor attended. SaD agenda items included: 1) increasing provincial budget allocations; 2) establishing a Governorates and Regional Affairs Liaison Bureau in the Prime Minister,s Office; and 3) attempting to get the national government to devolve authority to the governors to allocate land for major investment projects. Of the three items, the most success was achieved for item number one. The other two agenda items remain under review by the Prime Minister. End Summary.

SaD Budget Increase

2. (C) Abdullah told PRT members that the original SaD 2008 budget allocation of 176 billion IQD (145 million USD) has been increased by 110 billion IQD for a total of 286 billion IQD (235 million USD). According to Abdullah this amount must be spent by the end of the year, and the SaD Provincial Council plans to divide it equally between large capital investments, and smaller projects. Two additional amounts were added: 22 billion IQD for housing and construction, and 25 billion IQD for rebuilding Samarra. SaD is still awaiting the release of the remaining 60 percent of its 2007 capital budget which was supposed to be rolled over into the 2008 budget allocation. These combined amounts represent a large sum of fiscal stimulus in SaD,s provincial budget pipeline. SaD provincial officials point to the fact that they executed all funds given to them in 2007 as an indicator that they have proven their ability to competently execute the increased allocations.

A Seat for the Provinces at the PM's Office?

3. (C) Abdullah reported that representatives from all 15 provinces besides the Kurdistan Regional Government attended the conference. He said much of the conference was devoted to discussing the establishment of a committee to supervise the division of the national budget between the provinces. Another possible role of the committee would be to supervise the operations of central government ministries throughout all the provinces. Abdullah said that the proposal to establish a Governorates and Regional Affairs Liaison Bureau in the Prime Minister,s Office was unanimously approved by all the provinces and is awaiting approval by the Prime Minister. If approved, each province will have a representative in the bureau to provide a point of contact for provincial dealings with the central government. The process for selecting the provincial liaison had not been determined, but SaD provincial officials are hopeful this

authority will reside with the provincial governors.

14. (C) Abdullah informed PRT members that a final decision has not been made on the request for the national government to devolve authority to the governors to allocate land for major investment projects; this proposal will require approval by the Cabinet and Prime Minister.
CROCKER